#### From Concept to Reality:

How the Western States and Industry Address the Need for a Balanced Resource Mix

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President Rocky Mountain Power

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"Our western electric grid is fully interconnected and changes in policy, resource additions and operations affect us all."

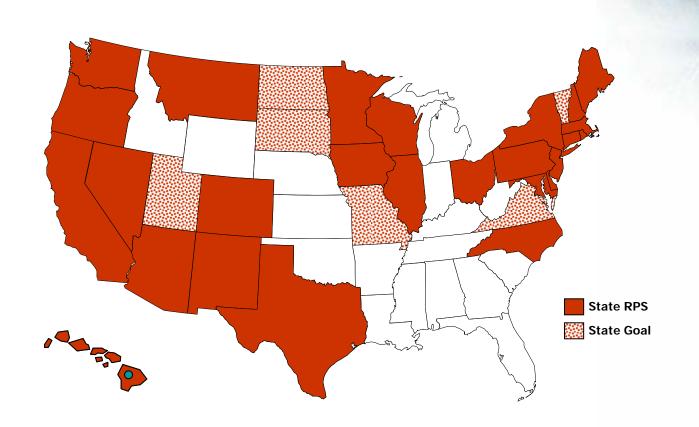
Western Electric Industry Leaders Group







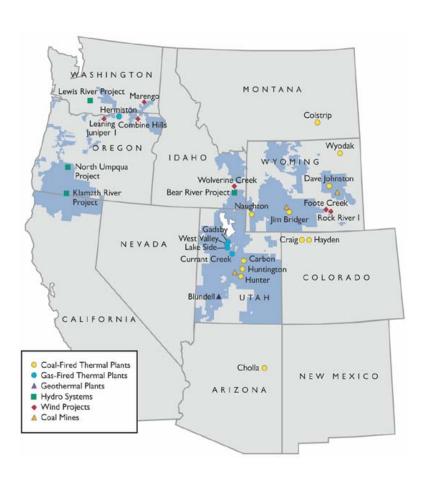
## State Renewable Standards





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# PacifiCorp Overview

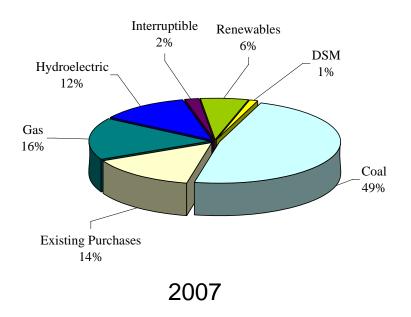


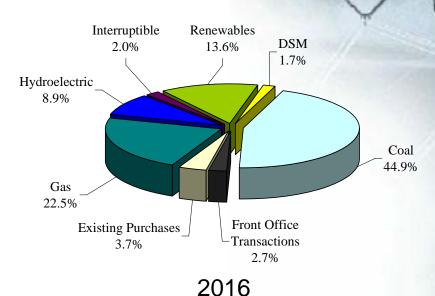
•	Customers (million)	1.7
•	Annual Call Volume (millions)	5.7
•	Number of Meters (millions)	1.8
•	Retail Energy Sales (TWh)	53
•	Generating Capacity (MW)	9,286
•	Line Miles	77,000
•	Substations	900
•	Number of Employees	6,500



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## PacifiCorp Generation Mix (MW)





(Projected)

- Front office transactions are proxy resources representing forward firm purchases used to help PacifiCorp meet its load and planning reserve requirements.
- Renewable resources are at nameplate.

Source: PacifiCorp 2007 Integrated Resource Plan



## Western Energy Perspective

- Energy has no borders
- Renewable potential and state mandates vary widely among the western states
- There are barriers to overcoming these variations
  - Transmission bottlenecks
  - Lack of a regional REC market
  - Emerging state laws/regulations requiring renewable generation to be instate, or not allowing use of unbundled RECS
  - Opposition to new pipelines/LNG terminals
- Best case scenario: implement a consistent federal policy (unlikely in the short run)
- Regional coordination is needed



## Company Perspectives

- Environmental policies should be balanced with physics of interconnected grid
  - States need to cooperate to accommodate new transmission/pipeline infrastructure
  - Carbon & RPS policy coordination is necessary
  - Renewable development should be accommodated where it exists, regardless of where it will be used (REC trading, RPS rules, etc.)
  - The politics of federal and regional climate change is currently ahead of the technology. Research funding is essential.
- Environmental benefits are global



#### Additional Perspectives

- All of us want a cleaner energy future, but affordable electric prices are also important.
  - Standards should not unduly burden electric customers
  - Customers and policy-makers need facts from companies
  - Innovation is a key additional R&D should be fostered and incentives for commercial application created
- Collaborative solutions are critical
  - Energy policy & resource decisions can't be made in vacuum and be successfully balanced among needs
  - Government leaders and policy makers should consider the broad regional energy picture



#### Solutions

- Local, state and federal agencies should work together with power providers
- Major investments are required to research & develop low-carbon power sources and interactive grid technology
- Build on current regional policy discussions
  - WCI discussions
  - Wind Integration Steering Group
  - Energy Efficiency Task Force
- Regional entities (WGA, NWPPC, etc.) could facilitate regional policy hearings/discussions to explore solutions

